

INSTANT AVAILABILITY OF ELECTRONICALLY TRANSFERRED FUNDS

ABSTRACT

5 A system and method for making proceeds of an ACH (Automated Clearing House) transaction available to a user before the transaction is completed. The system may be part of an on-line or traditional merchant or system configured to allow or facilitate payments or fund transfers from users. When a user requests payment or transfer of funds to an entity (e.g., another user, a merchant, the user's account with the system) via an ACH entry, the system authorizes the amount against a credit source of the user or otherwise verifies that the user has sufficient credit to cover the payment/transfer. If the authorization succeeds, the system places a hold on the credit source in the amount of the transaction. The ACH entry is then initiated and the desired funds are released. If the ACH transaction 10 rejected or returned, the user's credit source is charged.

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